

EXHIBIT G

(Tuition Deregulation)

The Conservative Case Against Tuition Deregulation

By: Tony McDonald

“Don’t conservatives support deregulation?”

I can’t count the number of times I’ve been asked this question, by allies and opponents alike in my struggle against Texas’s tuition policy.

“Yes,” I always respond. And “tuition deregulation” didn’t deregulate anything.

When the policy was proposed in 2003, my organization, Young Conservatives of Texas, opposed it from the beginning. YCT understood that the proposed policy would not “deregulate” higher education. It wouldn’t expand competition or end government favoritism, to allow the best providers to win in the battle for their customers, Texas students.

Instead, the policy merely transferred the power to set tuition and fees from the elected Texas legislature, a body that was accountable to the people, to an unelected body; the appointed boards of regents.

This is the underlying problem with the tuition deregulation.

What many conservatives who supported the tuition “deregulation” policy forgot was that our public universities are government agencies; no different than our department of transportation or department of public safety. Allowing them unlimited control to set the fees they charge Texas families would be no different than allowing the department of transportation to charge anything they would like for license plates.

Without restraints, government bureaucracies will always find some way to rationalize their need for more tax dollars. As President Ronald Reagan once wittily proclaimed: “Government is like a baby. An alimentary canal with a big appetite at one end and no sense of responsibility at the other.”

In the decade spanning from 1998 to 2008, my alumnus, The University of Texas at Austin served as a poster child for that lack of responsibility. The University’s budget more than doubled from 997 Million to 2.076 Billion. While I’m sure that UT President Bill Powers would provide an emphatic defense of every dollar of that spending. However, there are some critics that can question him, and with good cause. According to the Texas Public Policy Foundation, administrative costs have risen to 14% of Higher Education budgets. Productivity decline over the last quarter century has become the norm in higher education. It now takes 21 employees to educate every 100 students. This is compared to 18 employees for every 100 students in 1970. These facts lead one

to believe that our university administrators are not interested in efficiency so much as they're interested in using other people's money to fund their pet projects.

So as budgets rise unrestrained, the Universities are forced to look somewhere for additional funding.

Administrators will claim that our state government has not accommodated them. They'll often stretch the facts to allege that state funding has gone down. But research will show that state funding has remained relatively stable, and in fact has grown slightly over the last decade. The growth may not have kept pace with rapidly expanding budgets, but higher education certainly hasn't been shortchanged.

The universities instead have tapped their new found resource ... Texas families. Students and their families after 2003 became the path of least resistance for university administrators wishing to take-in and spend more money. In the race to expand their budgets, administrators have rapidly increased tuition. Across the state, total academic costs have grown by 53% from \$1934 in 2003 to \$2,952 in 2007.

Right now our state representatives and senators are meeting for the 81st Texas legislature. Lawmakers have an important opportunity to pass legislation that would freeze tuition and limit future increases. Any legislation which would limit tuition increases and put the authority over tuition back in the hands of the legislature would be a dramatic improvement over our current situation.

Our elected officials must act to prevent university administrators from continuing to reach into the wallets of students and their families in their race to spend more. Repealing tuition deregulation would protect Texas students and their families and force our universities to make wise decisions about how best to spend the public's money in the future.

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